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Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE (No Surface Use)

(No Surface Use)							
THIS LEASE A	GREEMENT is made this	s	day of	Tune.		, 2008, by and betwe	еп
Beitha	Thomas,	a 5/ng	le fer	50 N			
whose addresss is	2912 Wes	thill Ru	nd For	+ Westly	Texas	76/05	as Lessor,
hereinabove named a 1. In consider	as Lessee, but all other p	rovisions (including the n hand paid and the	ne completion of t	olank spaces) we	re prepared jointly t	nted portions of this lease way Lessor and Lessee. leases and lets exclusively	
- 22/ ACR	ES OF LAND, MOR	RE OR LESS, BI	EING LOT(S)		•	, BLO	ск <u>7</u>
OUT OF THE	(1818)	, PAGE	RRANT COU	NTY, TEXAS _ OF THE PL	AD ACCORDING AT RECORDS	, BLOO DITION, AN ADDITION TO THAT CERTAIN OF TARRANT COUN	N TO THE CITY OF PLAT RECORDED TY, TEXAS.
commercial gases, as land now or hereafter Lessor agrees to exe-	d in association therewi s well as hydrocarbon ga r owned by Lessor which cute at Lessee's request	th (including geophy ases. In addition to to a are contiguous or a any additional or sup	sical/seismic ope the above-descrit djacent to the ab plemental instrun	erations). The toped leased premion overdescribed leased premion in the toped lease to th	lerm "gas" as used ises, this lease also ased premises, and complete or accurat	terests therein which Lessor as, along with all hydrocarb of herein includes helium, concovers accretions and any in in consideration of the aforted description of the land so of decorrect, whether actually many many accounts.	arbon dioxide and other small strips or parcels of ementioned cash bonus, covered. For the purpose ore or less.
as long thereafter as otherwise maintained  3. Royalties or separated at Lessee' Lessor at the wellhead the wellhead market prevailing price) for production, severance Lessee shall have the no such price then production, severance Lessee shall have the no such price then production, severance Lessee shall have the no such price then production, severance Lessee shall have the lease are waiting on hydrau be deemed to be prothere from is not being Lessor's credit in the while the well or wells is being sold by Less following cessation of terminate this lease.	in effect pursuant to the noil, gas and other subsis separator facilities, the dor to Lessor's credit at price then prevailing in production of similar gradients of the production of similar gradients. The continuing right to purchase continuing right to purchase or lands preceding date as the dated premises or lands public fracture stimulation, but ducing in paying quantiting sold by Lessee, then depository designated be are shut-in or productions of such operations or productions or productions.	ances covered hereby provisions hereof, tances produced and a royalty shall be the oil purchaser's the same field (or if the case and gravity; (but the context of the production of the production of the interest of the production of the purpose o	y are produced in a saved hereunder the family of the fami	paying quantities or shall be paid by littles, provided the price then prevaing casing head by Lessee from elivering, process wellhead marketere is such a previnchases hereund roducing oil or good to be a collar per acreday period and the provided that a pooled therewith any shut-in royalty.	y Lessee to Lessor (2 %) of s at Lessee shall have liling in the same fiel gas) and all other the sale thereof, sing or otherwise m t price paid for prod vailing price) pursua der; and (c) if at the as or other substant ere from is not being eriod of 90 consecu- te then covered by the reafter on or before if this lease is other h, no shut-in royalty y shall render Lesso	remises or from lands pooled as follows: (a) For oil and ouch production, to be delive we the continuing right to pureld, then in the nearest field er substances covered here less a proportionate part or barketing such gas or other suction of similar quality in the ant to comparable purchase end of the primary term or a ces covered hereby in paying sold by Lessee, such well or wells this lease, such payment to bre each anniversary of the crivise being maintained by or shall be due until the end deet liable for the amount due	other liquid hydrocarbons and at Lessee's option to chase such production at in which there is such a by, the royalty shall be f ad valorem taxes and ubstances, provided that e same field (or if there is contracts entered into on any time thereafter one or g quantities or such wells r wells shall nevertheless are shut-in or production be made to Lessor or to and of said 90-day period perations, or if production of the 90-day period next, but shall not operate to
4. All shut-in robe Lessor's depositor draft and such payme address known to Lespayment hereunder, Lessor as progresses or lands popursuant to the provinevertheless remain i on the leased premise the end of the primar operations reasonably no cessation of more there is production in Lessee shall drill such to (a) develop the leased premise the leased premise the end of the primar operations reasonably no cessation of more there is production in Lessee shall drill such to (a) develop the leased payments.	y agent for receiving pay ents or tenders to Lessor ssee shall constitute prog- essor shall, at Lessee's rovided for in Paragraph oled therewith, or if all isions of Paragraph 6 on force if Lessee comme es or lands pooled therew y term, or at any time they calculated to obtain or in than 90 consecutive day paying quantities from the in additional wells on the li- ted premises as to form	ments regardless of a or to the depository per payment. If the de request, deliver to Le 3. above, if Lessee de production (whether refress operations for with within 90 days af nereafter, this lease it estore production the ys, and if any such o the leased premises or la least then capable	changes in the ow by deposit in the lepository should essee a proper rec irills a well which or not in paying governmental aul reworking an exis fer completion of is not otherwise be erefrom, this lease operations result i or lands pooled there of producing in p	vnership of said k US Malls in a sta- liquidate or be su- cordable instrume is incapable of pi- quantities) permi- thority, then in ti- troperations on su- pering maintained a shall remain in in the production in the production cerewith. After or with as a reasone paying quantities	and. All payments o amped envelope ad ucceeded by another ent naming another roducing in paying of anently ceases from event this lease illing an additional ich dry hole or within in force but Lesse force so long as any of oil or gas or oth more production of a well ubly prudent operato on the leased prent on the leased prent amped en	sor's address above or its renders may be made in culdressed to the depository or ar institution, or for any reason institution as depository ager quantities (hereinafter called many cause, including a reason in the safet of the safet or would drill under the same nises or lands pooled therewises of lands pooled therewises of lands pooled therewises or lands pooled therewises or lands pooled therewishall be no covenant to drill	rrency, or by check or by to the Lessor at the last in fail or refuse to accept it to receive payments. "dry hole") on the leased vision of unit boundaries intained in force it shall go restoring production on of all production. If at , reworking or any other ions are prosecuted with by, as long thereafter as ng quantities hereunder, or similar circumstances with, or (b) to protect the

to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises on arises provided herein.

6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well of well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means as well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component thereof. In exercising its

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises
- The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalities hereunder, Lessee may pay or tender such shut-in royalities to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shuf-in royalties between Lessee may pay or tender such shuf-in royalties to such persons or to their credit in the depository either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shuf-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, pnmary and/or enhanced recovery. Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessee hall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any lime to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdict

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to

whom payment is made, and, in addition to its other rights, may reimber itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Bertha E Thomas By: **ACKNOWLEDGMENT** Texas STATE OF COUNTY OF Tarrant This instrument was acknowledged before me on the day of 2008. JARWIN N. SCOTT (viorary Public, State of Texas (Viγ Commission Expires Notary Public, State of Notary's name (printed): October 31, 2810 Notary's commission expires: STATE OF COUNTY OF This instrument was acknowledged before me on the



## DALE RESOURCES 3000 ALTA MESA BLVD STE 300

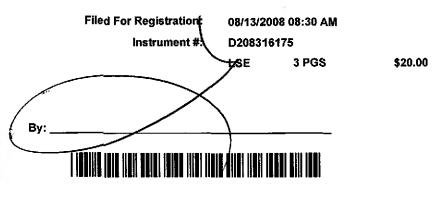
**FT WORTH** 

TX 76133

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## DO NOT DESTROY WARNING - THIS IS PART OF THE OFFICIAL RECORD.



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ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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